

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0265-07
Bill No.: SCS for HCS for HB 302 and 38
Subject: Alcohol, Crimes and Punishment, Revenue Department
Type: Original
Date: April 30, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$528,586 to Unknown)	(\$1,163,527 to Unknown)	(\$1,315,724 to Unknown)
Spinal Cord Injury Fund	\$0 to \$1,187,500	\$0 to \$1,342,500	\$0 to \$1,342,500
Head Injury Fund	\$0 to \$1,187,500	\$0 to \$1,342,500	\$0 to \$1,342,500
Highway Funds	(\$6,582)	\$55,025	\$58,442
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown) to \$1,839,832	(Unknown) to \$1,576,498	(Unknown) to \$1,427,718

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Cities	\$13,973	\$27,371	\$28,465
Counties	\$9,315	\$18,248	\$18,976
All	(Unknown)	(Unknown)	(Unknown)
Local Government	\$23,288 to (Unknown)	\$45,619 to (Unknown)	\$47,441 to (Unknown)

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Missouri Highway Patrol**, in response to a prior version of this proposal, assume no impact to their agencies.

Officials from the **Department of Health, Office of Administration, Division of Budget and Planning, Office of Prosecution Services**, and the **Office of the Attorney General**, in response to similar proposals, assume no impact to their agencies.

Officials from the **Department of Mental Health and Office of Administration, Head Injury Advisory Council**, assume no impact to their agency.

Officials from the **Department of Corrections** assume this proposal would increase the number of prison admissions for persons convicted of alcohol-related traffic offenses by 11%. The cost of this increase was estimated at \$528,856 for FY2002, \$1,163,527 for FY2003, and \$1,315,724 for FY 2004.

Officials from the **Department of Higher Education (CBHE)** assume this proposal would not have a direct fiscal impact on the CBHE as it is funded and administered by the UM Board of Curators. There may be a fiscal impact on the University of Missouri, although grants awarded are subject to appropriation.

Officials from the **University of Missouri (UM)** assume they are unable to estimate the cost to UM of this proposal. **Oversight** assumes the costs to UM for administration of the program are unknown.

ASSUMPTION (continued)

Officials of the **State Public Defender (SPD)** assume that existing staff could provide representation for those 50 - 75 cases arising where indigent persons were charged with “driving while intoxicated at .08%.” However, passage of more than one similar bill would require the State Public Defender System to request increased appropriations to cover the cumulative cost of representing the indigent accused.

Officials from the **Department of Transportation** and **Office of the State Treasurer** assume no impact to their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would provide changes in the drivers’ training and licensing law; create programs related to persons with more than .15 BAC; tighten the standard for presuming driving while intoxicated by changing the blood alcohol standard from 0.1 to .08 and increase the penalty for a first offense; change the ignition interlock law; restrict eligibility for a hardship license; restrict probation and parole for some DWIs; and, increase the minimum time served before probation or parole is granted.

Depending on the degree of enforcement, there may be an increase in the number of cases filed. However, we have no way of quantifying that increase at this time. Because of the increased penalties, some cases may become protracted. There will be an impact on Corrections.

The proposed legislation would also establish a spinal cord injury fund to be administered by the board of curators of the University of Missouri and a head injury fund to be administered by the University. The funds are to be funded by a \$2.50 surcharge on speed limit law violations, and a \$25.00 surcharge on DWI related offenses assessed for each fund.

In FY 99, there were approximately 357,000 traffic violations that could be assessed the \$2.50 surcharge, and almost 18,000 intoxication-related guilty pleas that could be assessed the \$25.00. Thus, there is the potential for a total of \$2,237,500 in the first year, and \$2,685,000 in subsequent years for the two funds together. However, we assume that some of these surcharges will never be collected, so there is no way to accurately estimate the potential income to the fund. If enacted, we would include the surcharge requirement in the statewide court automation software and, as courts come upon that system, we would have the ability to track, collect and disburse the fee.

Oversight assumes the revenue to each fund would be based on a total maximum additional fee of \$27.50 multiplied by the number of offenses and has ranged the additional revenue from \$0 to the maximum calculated for each fund. Thus, each fund could have additional revenue ranging from \$0 to \$1,187,500 for the first year and from \$0 to \$1,342,500 in subsequent years.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** assume:

.08% BAC Requirements

This proposal lowers the blood alcohol content threshold for driving while intoxicated, driving with excessive blood alcohol content, and administrative alcohol actions to .08%. Lowering the minimum excessive alcohol threshold will result in additional arrests for driving while intoxicated and subsequently will result in additional license suspension documentation to be sent to the Driver and Vehicle Services Bureau (formerly known as the Drivers License Bureau).

This proposal will allow individuals who are under the age of 16 and possess an instruction permit to operate a motor vehicle with a driver instructor who holds a driver education endorsement on a teaching certificate issued by the Department of Elementary and Secondary Education or a qualified private driver trainer. The time spent operating with such a driver trainer or instructor will count towards the 20 hour requirement for the intermediate drivers license.

COSTS

Driver and Vehicle Services Bureau

While the long term intended result of this legislation will reduce the number of alcohol related offenses through stricter driver's license sanctions, the immediate impact will result in increased arrests reported to the Driver and Vehicle Services Bureau.

The Driver and Vehicle Services Bureau assumes that in the short term (3 to 5 years), this legislation will increase the number of administrative alcohol arrests pursuant to section 302.500 RSMo, by 16.7%. The Driver and Vehicle Services Bureau also assumes the same increase (16.7%) on alcohol related convictions.

These increases will result in the following increased workloads in the Driver and Vehicle Services Bureau:

Administrative Alcohol Arrest Documentation = 3,826
Alcohol Related Convictions = 2,406
Notices of Suspension/Revocation = 6,232
Reinstatement Notices = 4,241
Correspondence Inquiries = 1,122

Total Increased Documentation for Processing: 17,827
ASSUMPTION (continued)

In order to process this increased documentation the Driver and Vehicle Services Bureau will require **one additional clerk typist II**. The requested Clerk Typist II position will be responsible for responding to correspondence inquiries, entering arrest and conviction data, reinstatement fees, proof of insurance (required for reinstatement), and alcohol education completion certificates into automated computer systems. **Oversight** assumes the additional clerk typist duties could be absorbed with existing resources.

General Counsel's Office

The General Counsel's Office assumes the same impact as the Driver and Vehicle Services Bureau (16.7% increase in arrests). The General Counsel's Office expects an increase in the number of hearings requested as a result in the lower blood alcohol threshold. The immediate impact is expected to be more significant as more individuals will challenge the legitimacy of lower alcohol threshold and whether or not an individual is impaired at the lower limit. This will require **three additional Legal Counsels and one additional Clerk Typist III** in order to process the additional administrative hearings that are associated with the increased number of arrests.

This FTE request is based on current administrative hearing volumes statewide. Nearly half of all hearings are held in the metropolitan areas of Kansas City and St. Louis. One additional Legal Counsel will be needed in each of these areas to absorb the additional hearings that will be requested. The remaining Legal counsel will be used out of the Jefferson City office and will be required to travel to many regions of the state to absorb additional hearing volumes statewide.

The requested Clerk Typist III will be responsible for docketing hearings, scheduling hearings, and preparing hearing documentation.

Oversight assumes that one General Counsel and one Clerk Typist II could handle the additional workload, consistent with DOR's response to a similar proposal in the prior session. The costs to DOR have been adjusted accordingly.

POSTAGE

The Driver and Vehicle Services Bureau will require additional postage funding as a result of an estimated 11,595 documents required to be mailed. This documentation includes notices of suspension/revocation, notices of reinstatement, and responses to correspondence inquiries.

Additional postage funding will also be required in order to facilitate the reprinting of Alcohol Influence Reports (form DOR-2389) and the Notice of Suspension/Revocation (form DOR-2385) which is given to the offender at the time of arrest.

ASSUMPTION (continued)

The Driver and Vehicle Services Bureau will distribute 100,000 of each of these forms to law enforcement agencies throughout the state. Postage for this distribution of forms is estimated to be \$3,100. **Oversight** assumes DOR could absorb the cost of postage for the flyers, and has excluded such costs from the fiscal impact.

FORMS

The Driver and Vehicle Services Bureau will be required to modify two forms in order to identify the appropriate reduction in the blood alcohol content threshold and the increased penalties for driving while intoxicated. This will require reprinting of Alcohol Influence Reports (form DOR-2389) and the Notice of Suspension/Revocation (form DOR-2385) which is given to the offender at the time of arrest.

The Driver and Vehicle Services Bureau will distribute 100,000 of each of these forms to law enforcement agencies throughout the state. Costs for reprinting these forms are estimated to be \$6,000. **Oversight** assumes DOR could absorb the cost of production of the forms, and has excluded such costs from the fiscal impact.

The State Data Center will have additional costs of \$2,000 for fiscal year 2002. **Oversight** assumes DOR could absorb the State Data Center cost, and has excluded such costs from the fiscal impact.

REVENUE INCREASE

Additional suspension and revocation actions will be imposed as a result of lower blood alcohol content threshold.

The Driver and Vehicle Services Bureau estimates 4,241 additional reinstatements annually. This estimate is based on statistics obtained from the Missouri Drivers License (MODL) System.

Fiscal Year 2002 estimates are based on only six months calculations for administrative alcohol and point accumulation suspensions. This is due to the requirement of a one month notice prior to enforcement of the suspension, a one month suspension period, and a two month period of restricted driving prior to reinstatement. In addition, the effective date of this legislation is assumed to be August 28, 2001 which reduces the total months in the fiscal year to ten months.

ASSUMPTION (continued)

Administrative alcohol license revocations and point accumulation revocations are also not calculated in fiscal year 2001 as these actions are one year sanctions. The first revocations for these actions will not be eligible for reinstatement until August 28, 2002 under this assumption (FY 2003). Therefore, these reinstatements are calculated for ten months of FY 2003 and all of FY 2004.

FY 02

2,094	Administrative Alcohol Suspensions
<u>1,171</u>	Point Accumulation Suspensions
3,265	Total Suspension Reinstatements
3,265	Total Suspension Reinstatements
<u>/ 12</u>	Months per Year
272	Suspension Reinstatements per Month
<u>x 6</u>	Months of Eligible Reinstatement for Suspensions
1,632	Total Suspension Reinstatements for FY02
<u>+ 438</u>	Point Accumulation Revocations Reinstatements
2,070	Additional Reinstatements for FY02
<u>x \$45</u>	Reinstatement Fee
\$93,150	Total Increased Reinstatement Fee Collection FY02

FY 03

514	Administrative Alcohol Revocation Reinstatements
<u>+ 438</u>	Point Revocation Reinstatements
952	Total Revocation Reinstatements
<u>/ 12</u>	Months per year
79	Revocations per month
<u>x 10</u>	Months of Eligible Revocation reinstatements
790	Total Revocation Reinstatements for FY03
3,265	Total Suspension Reinstatements
<u>+ 790</u>	Total Revocation Reinstatements
4,055	Total Reinstatements for FY03
<u>x \$45</u>	Reinstatement Fee
\$182,475	Total Increased Reinstatement Fee Collection for FY03

ASSUMPTION (continued)

FY 04

514	Total Administrative Alcohol Revocations Reinstatements Annually
3,265	Total Suspension Reinstatements
+ 438	Total Point Revocation Reinstatements
4,217	Total Reinstatements for FY04
x \$45	Reinstatement Fee
\$189,765	Total Increased Reinstatement Fee Collection for FY04

FEE DISTRIBUTION

FY 02

\$69,863	Highway Fund
\$13,973	Cities
\$9,315	Counties

FY 03

\$136,856	Highway Fund
\$27,371	Cities
\$18,248	Counties

FY 04

\$142,324	Highway Fund
\$28,465	Cities
\$18,976	Counties

Driver Instruction Permit Requirements:

DOR estimates its Customer Assistance Bureau will require **\$3,000** for programming costs associated with the necessary modifications to the over the counter drivers license system. Modifications are necessary due to the new certification options regarding operating a motor vehicle with a driver instructor (instruction permit application) and completion of a driver training program in lieu of completion of 20 hours of behind the wheel driver training (intermediate license application).

This cost is based on 24 estimated hours of programming at the current contract rate of \$125 per hour with the license system vendor, Polaroid Corporation. **Oversight** assumes DOR could absorb the programming cost, and has excluded such costs from the fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
HIGHWAY FUNDS			
<u>Income - Department of Revenue</u>			
Reinstatement fees	\$69,863	\$136,856	\$142,324
<u>Cost - Department of Revenue</u>			
Personal Service	(\$49,250)	(\$60,578)	(\$62,092)
Fringe Benefits	(\$16,415)	(\$20,190)	(\$20,695)
Expense and Equipment	(\$10,780)	(\$1,063)	(\$1,095)
Total cost	(\$76,445)	(\$81,831)	(\$83,882)
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>(\$6,582)</u>	<u>\$55,025</u>	<u>\$58,442</u>
GENERAL REVENUE FUND			
Cost - Department of Corrections	(\$528,586)	(\$1,163,527)	(\$1,315,724)
Cost - University of Missouri	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$528,586 to Unknown)</u>	<u>(\$1,163,527 to Unknown)</u>	<u>(\$1,315,724 to Unknown)</u>
SPINAL CORD INJURY FUND			
Income - Fees	\$0 to \$1,187,500	\$0 to \$1,342,500	\$0 to \$1,342,500
ESTIMATED NET EFFECT ON SPINAL CORD INJURY FUND	<u>\$0 to \$1,187,500</u>	<u>\$0 to \$1,342,500</u>	<u>\$0 to \$1,342,500</u>
HEAD INJURY FUND			
Income - Fees	\$0 to \$1,187,500	\$0 to \$1,342,500	\$0 to \$1,342,500
ESTIMATED NET EFFECT ON HEAD INJURY FUND	<u>\$0 to \$1,187,500</u>	<u>\$0 to \$1,342,500</u>	<u>\$0 to \$1,342,500</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Cities			
<u>Revenue</u> - Reinstatement fees	\$13,973	\$27,371	\$28,465
Counties			
<u>Revenue</u> - Reinstatement fees	\$9,315	\$18,248	\$18,976
<u>Cost</u> - Increased jail population	(0 to unknown)	(0 to unknown)	(0 to unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$23,288 to</u> <u>(UNKNOWN)</u>	<u>\$45,619 to</u> <u>(UNKNOWN)</u>	<u>\$47,441 to</u> <u>(UNKNOWN)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would lower the blood alcohol content threshold for driving while intoxicated, driving with excessive blood alcohol content, and administrative alcohol actions to .08%. In addition, it modifies the driving experience requirement for persons holding temporary driving instruction permits, creates programs related to persons with more than .15 BAC, increases the penalty for a first offense, restricts eligibility for a hardship license; changes the ignition interlock law, restricts probation and parole for some DWIs; and, increases the minimum time served before probation or parole is granted. Also, it creates two new funds in the state treasury, one for the benefit of the University of Missouri, supported by additional fees on speed limit offenses, and one for the benefit of the Missouri Head Injury Advisory Council, supported by fees on BAC/DWI offenses.

This legislation is federally mandated, but would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
University of Missouri
State Public Defender
Department of Transportation
Office of the State Treasurer
Office of State Courts Administrator
Department of Revenue
Office of Administration
Head Injury Advisory Council
Department of Mental Health
Department of Corrections

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "T".

Jeanne Jarrett, CPA
Director
April 30, 2001